

**RESOLUTION OF THE
BOARD OF DIRECTORS
OF THE JONATHAN ASSOCIATION**

WHEREAS, the Executive Board of The Jonathan Association (the “Association”) has consulted with its’ general legal counsel, David G. Hellmuth, Hellmuth & Johnson, PLLC regarding allegations arising at the last Board of Directors Meeting concerning a contract with Supercreative, a web hosting business operated by a board member;

WHEREAS, the allegations at the board meeting asserted that the Association was illegally paying compensation to an Association board member by way of payments to said board members’ business;

WHEREAS, the Association has investigated this matter further, has reviewed the Bylaws with legal counsel and has determined that there is a technical violation of the preclusion of compensation to directors. Although payments were made to “Supercreative” and not the board member, Supercreative is an assumed name held by the board member. Technically, these payments can be characterized as payments to a board member, which is a violation of Article V, Section 4 of the Bylaws;

WHEREAS, the Bylaws state that “No director shall receive compensation for any service he or she may render to the Association.” Although the Association has no record of any payments or compensation directly to the board member, these payments are to the business operated by the board member.

WHEREAS, the Association has investigated the propriety of the contract and has determined the following:

- a. The contract was in effect prior to the board member’s service on the board;

- b. The contract is fair and reasonable and was not entered into by reason of any undue influence or conflict of interest; and
- c. At the inception of the contract, the board member/owner of Supercreative was not on the board and did not use his board position to procure the contract.

WHEREAS, Supercreative has had a long standing agreement to provide website hosting, content updates and related services to the Association. Supercreative has done the work requested of it in a manner acceptable to the Association;

WHEREAS, the Executive Committee and the Association's legal counsel are concerned by even the slightest appearance of impropriety;

NOW, THEREFORE, it is hereby resolved that:

1. The Association has changed web providers due to the allegations described above. Due to the Association's concerns, Supercreative was immediately replaced after the May Board of Directors meeting;
2. The Association now has a direct contract with the web hosting service, not Supercreative and it pays a direct fee to the web hosting service.
3. The Association is losing the web updating and content services provided by Supercreative.
4. The Association will obtain bids from third parties, who are not affiliated with any board member, to procure web content updating services similar to those provided by Supercreative;
5. Supercreative has agreed to provide interim updating services at no cost to the Association.

6. The Association may have to pay more than what it paid to Supercreative for the same services, but the Association must be in compliance with its' Bylaws.

THE JONATHAN ASSOCIATION

Dated: _____, 2012.

By: _____

Its: _____

RATIFIED BY THE BOARD OF DIRECTORS AT A MEETING ON TUESDAY, JUNE 12, 2012.

Association Secretary